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21 March 1966

MEMORANDUM FOR: Chief, Trade and Services Division

SUBJECT: Supply of Jet Fuel in Communist China and North Vietnam

1. Communist China

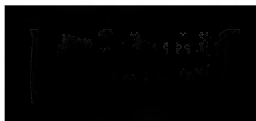
We estimate that Communist China produced about 300,000 metric tons and imported about 30,000 tons of jet fuel in 1965. Except for indeterminate but presumably small quantities which were diverted to inventories, the total supply of jet fuel probably corresponded to total consumption. We have no estimates of the quantities of jet fuel which China has in storage or for strategic reserves.

Although China has the capability to provide from domestic resources for most of its jet fuel needs, based on "peacetime consumption rates", we do not think that China has the capability to provide for any sharp rise in demand over an extended period of time without outside assistance.

2. North Vietnam

North Vietnam receives all of its jet fuel supplies from the USSR by rail through China. We estimate that North Vietnam received a total of about 1,500 tons of jet fuel in 1965 - almost all of which was delivered in the last calendar quarter. Data are not available on the quantities of jet fuel in storage, in strategic reserves, or consumed in North Vietnam.

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